



zenotech

CIN: L27100AP1989PLC010122

ZENOTECH LABORATORIES LTD.

Survey No. 250 - 252,
Turkapally Village
Shameerpet Mandal
R R District 500 078. T.S., India.
Tel: +91 40 2348 0430 / 35
Fax: +91 40 2348 0429
www.zenotechlab.com

Date: November 9, 2016

The Manager
BSE Limited (DCS- CRD)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 532039

Dear Sir,

Sub: Outcome of the Board Meeting of Zenotech Laboratories Limited (the Company)

Pursuant to Regulations 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we inform you that the Board of Directors of the Company, at its meeting held on Wednesday, November 9, 2016, which commenced at 9:45 AM and concluded at 1:00 PM, has *inter alia*, considered and approved the following:

1. The Audited Financial Results for the quarter and half year ended September 30, 2016. A copy of the said Financial Results along with the Auditors' Report thereon is enclosed herewith.
2. Further issuance of equity shares of Rs. 10/- each of the Company, on rights basis to the existing shareholders of the Company on such ratio and at such price and premium as may be decided later in consultation with the Lead Managers to the proposed rights issue, so that the funds raised by way of rights issue of equity shares will be upto Rs. 175 Crores.

The ratio of rights share entitlements, the issue price and the record date for fixing the entitlement of shareholders to such rights issue shall be informed in due course when decided.

We request you to take the above on record.

Thanking you,

Yours faithfully,
For Zenotech Laboratories Limited

Abdul Gafoor Mohammad

Abdul Gafoor Mohammad
Company Secretary & Compliance Officer



Encl: as above

ZENOTECH LABORATORIES LIMITED

CIN: L27100AP1989PLC010122

Survey No.250-252, Turkapally (V), Shameerpet (M), Ranga Reddy (Dt), Hyderabad - 500078

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Statement of Audited Standalone Financial Results for the Quarter and Half-year ended 30 September 2016

Part I		(Rs. in lakhs, except share and per equity share data)					
Sl.N o.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2016 (Audited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Audited)	30.09.2015 (Unaudited)	31.03.2016 (Unaudited)
1	Income from operations (NET)	11.47	16.75	105.23	28.22	174.78	218.72
2	Expenses						
	a) Cost of materials consumed	25.55	44.45	79.30	70.00	174.58	200.17
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(13.85)	11.14	1.70	(2.71)	(5.70)	(9.65)
	c) Excise duty on sales	-	-	11.00	-	11.46	12.74
	c) Employee benefit expenses	62.72	75.18	68.64	137.90	137.99	225.22
	d) Depreciation expenses	96.21	96.21	99.07	192.41	198.11	396.23
	e) Power & Fuel expenses	33.68	27.51	25.90	61.19	51.93	98.36
	f) Rates & Taxes	38.32	36.99	36.29	75.31	75.04	168.90
	g) Professional Charges	27.48	25.41	31.17	52.89	55.52	108.06
	h) Other expenses	55.96	69.06	56.81	125.02	119.59	216.58
	Total expenses	326.07	385.95	409.88	712.01	818.52	1,416.61
3	Profit/(Loss) from operations before other Income, finance costs and exceptional items (1-2)	(314.60)	(369.20)	(304.65)	(683.79)	(643.74)	(1,197.89)
4	Other income (NET)	0.72	3.53	3.60	4.25	14.95	38.76
5	Profit/(Loss) before finance costs and exceptional items (3+4)	(313.88)	(365.67)	(301.05)	(679.54)	(628.79)	(1,159.13)
6	Finance costs	188.65	186.94	186.68	375.59	371.71	754.60
7	Profit/(Loss) before exceptional items (5+6)	(502.53)	(552.61)	(487.73)	(1,055.13)	(1,000.50)	(1,913.73)
8	Exceptional items	-	-	-	-	-	-
9	Profit/(Loss) before tax (7+8)	(502.53)	(552.61)	(487.73)	(1,055.13)	(1,000.50)	(1,913.73)
10	Tax expense	-	-	-	-	-	-
11	Net Profit/(Loss) for the period (9+10)	(502.53)	(552.61)	(487.73)	(1,055.13)	(1,000.50)	(1,913.73)
12	Other Comprehensive Income	3.13	0.72	0.74	3.85	1.46	2.92
13	Total Comprehensive Income (11+12)	(499.40)	(551.89)	(486.99)	(1,051.28)	(999.04)	(1,910.81)
14	Paid-up equity share capital (Face value of Rs. 10/- per share)	3,442.75	3,442.75	3,442.75	3,442.75	3,442.75	3,442.75
15	Reserves i.e. Other equity	-	-	-	-	-	(8,049.35)
16	Earnings/ (loss) per share (of Rs. 10/- each)						
	a) Basic and Diluted	(1.46)	(1.61)	(1.42)	(3.06)	(2.91)	(5.56)

See accompanying notes to the financial results



Statement of Assets and Liabilities		(Rs. in lakhs)	
		As at	As at
Particulars		30.09.2016	31.03.2016
		(Audited)	(Unaudited)
A	ASSETS		
1	Non-current assets		
	Property, Plant and Equipment	4,626.03	4,817.04
	Capital work-in-progress	12.69	-
	Financial Assets		
	Investments	-	-
	Other non-current assets	221.63	221.66
	Total Non-Current assets	4,860.35	5,038.70
2	Current assets		
	Inventories	118.80	158.50
	Financial Assets		
	Trade receivables	0.11	34.73
	Cash and cash equivalents	0.21	0.26
	Bank balances	162.63	44.49
	Loans	10.03	3.21
	Other Current assets	10.76	11.79
	Sub-total-Current assets	302.54	252.98
	TOTAL-ASSETS	5,162.89	5,291.68
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share capital	3,442.75	3,442.75
	Other Equity	(9,100.63)	(8,049.35)
	Total Equity	(5,657.88)	(4,606.60)
2	Liabilities		
	Non-Current liabilities		
	Financial Liabilities		
	Borrowings	1.04	1.04
	Provisions	18.12	19.32
	Total-Non-current liabilities	19.16	20.36
3	Current liabilities		
	Financial Liabilities		
	Borrowings	5,120.00	5,120.00
	Trade Payables	229.94	221.04
	Other current liabilities	3,685.88	2,840.95
	Provisions	1,765.79	1,695.93
	Total-Current liabilities	10,801.61	9,877.92
	TOTAL-EQUITY AND LIABILITIES	5,162.89	5,291.68

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Notes:

- 1 The above financial results for the quarter and half year ended September 30, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on November 09, 2016 and have undergone an audit by the Statutory Auditors of the Company.
- 2 The Company adopted India Accounting Standards ("Ind AS") from April 01, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.
- 3 The financial result for the comparative periods have not been audited or reviewed and has been prepared on the information compiled by the management after making the necessary adjustments to give a true and fair view of the results in accordance with Ind AS.
- 4 Reconciliation of India GAAP as previously reported and Ind AS is as follows:

(Rs in lakhs)

S.No	Particulars	Quarter ended 30.09.2015	Half year ended 30.09.2015
1	Net Profit as per erstwhile Indian GAAP	(486.99)	(999.04)
2	Adjustments on account of actuarial gains considered in Other Comprehensive Income	(0.74)	(1.46)
3	Net profit as per Ind AS (1+2)	(487.73)	(1,000.50)
4	Add: Other Comprehensive Income	0.74	1.46
5	Total Comprehensive Income as per Ind AS (3+4)	(486.99)	(999.04)

Reconciliation of equity as on 31 March 2016 as previously reported under Previous GAAP to Ind AS

Particulars	As on 31 March 2016 (Rs in Lakhs)
Equity reported under Indian GAAP as on 31 March 2016	(8,079.35)
Adjustments on account of Reversal of Remuneration payable	30
Others	-
Equity reported under Ind AS as on 31 March 2016	(8,049.35)



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- 5 Books and records, supplementary documents and statutory registers up till the period November 12, 2011 and information related to subsidiary are still not in the possession of the Company though the Honorable Company Law Board vide its order dated 8 October 2012 has directed Dr. Jayaram Chigurupati, the erstwhile Managing Director and Promoter, to return all the documents and provide written details of all missing documents/ assets/ statutory records/ equipment of the Company. Therefore, as reported earlier, it is further informed that the Company had reconstructed the financial statements for the years ended March 31, 2011 and 2012 based on the available limited records, statutory returns filed, supplementary documents, invoices, external corroborative evidence and after considering the various non compliances under the Companies Act, 1956, listing agreement and Foreign Exchange Management Act etc.

The matters relating to several financial and non financial irregularities are currently sub-judice and the impact of the various legal proceedings would be made in the financial results of the Company as and when the outcome of the above uncertainties becomes known and the consequential adjustments / disclosures are identifiable / determinable.

With regard to the Auditors Qualification in the Auditors Report on the audited financial results of the Company for the quarter and half year ended September 30, 2016, it is hereby clarified that the said qualification relates to the earlier financial years ended March 31, 2011 and 2012, which have already been fully explained by way of notes and responded in the Annual Reports of the Company for the respective financial years. The same will be adjusted in the results as and when the outcome of the uncertainties during those years, become known and, therefore, no adjustments have been made in these results.

With regard to Emphasis of matter in the Auditors report for the result purpose, it is hereby clarified that the financial statements have been prepared on a going concern basis, as the company is confident of raising further funds including Rights Issue, with which it will be able to meet its business operations for growth and revival.

- 6 The entire operations relate to only the pharmaceuticals segment. Therefore, there is no reportable segment to be disclosed as required by the Indian Accounting Standard 108.
- 7 Figures for previous period have been regrouped to conform to the current period presentation.

Date: 09 November 2016
Place: Mumbai



By Order of the Board

[Signature]
Chairman
DIN: 01219312

Auditor's report on Quarterly Financial Results and Year to Date Results of Zenotech Laboratories Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors of Zenotech Laboratories Limited

We have audited the quarterly financial results of Zenotech Laboratories Limited (the Company) for the quarter ended 30th September, 2016 and the year to date results for the period 1st April, 2016 to 30th September, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such Interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (Ind AS 34), prescribed, under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Basis for Qualified Conclusion

Based on information provided to us by management,

- a) The books of accounts for the financial years ended 31 March 2011 and 2012 were reconstructed by the Management post 12 November 2011. Certain matters relating to the differences between the current management and the then Co- Managing Director are currently sub-judice and still unresolved. These related to obtaining audit evidence on the related financial results and consequential impact of the adjustments if any relating to the unresolved matters pertaining to non-compliance with applicable laws and regulations and any consequential adjustment/ disclosures arising out of the outcome of ongoing legal proceedings. The Company has represented to us that based on the steps taken by the Management and evidence available so far, in its assessment the risk that the financial results may be materially misstated is low.



Qualified Conclusion

In our opinion and to the best of our information and according to the explanations given to us, with the exception of the matter described in the preceding paragraph, these quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and


(ii) give a true and fair view of the net loss and other financial information for the quarter ended 30th September, 2016 as well as the year to date results for the period 1st April, 2016 to 30th September, 2016.

Emphasis of Matter:

The Company has, notwithstanding accumulated losses and its net worth being completely eroded, prepared the accounts on a going concern basis, as it is working on plans to raise further funds with which it will be able to meet its business operations for growth and revival.

Our Report is not qualified in this regard.

For PKF Sridhar & Santhanam LLP
Firm Registration No. 003990S/S200018
Chartered Accountants


Ramanarayanan J
Partner
Membership No.220369



Place: Mumbai
Date: 09-Nov-2016